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July 11, 2000

RECORDATION NO. **23006** FILED

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

JUL 12 '00 4-19 PM
Ts
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three(3) copies of a Memorandum of Lease Agreement dated as of June 30, 2000, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: MRC Rail Services, LLC
One California Street
San Francisco, CA 94111

Lessee: Union Pacific Railroad Company
1416 Dodge Street
Omaha, NE 68179

A short summary of the document to appear in the index follows:

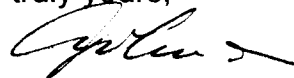
Memorandum of Lease Agreement between MRC Rail Services, LLC, Lessor, and Union Pacific Railroad Company, Lessee, covering 385 Tri-level Auto Carriers marked UP 800050 - UP 800434.

Vernon A. Williams
July 11, 2000
Page Two

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert W. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/ar
Enclosures

RECORDATION NO. **23006** FILED

JUL 12 '00

4-19 PM

SURFACE TRANSPORTATION BOARD

***MEMORANDUM OF LEASE AGREEMENT
BETWEEN
MRC RAIL SERVICES, LLC ("LESSOR")***

AND

UNION PACIFIC RAILROAD COMPANY ("LESSEE")

June 30, 2000

Memorandum of a Lease Agreement made and entered into as of June 30, 2000 by and between MRC Rail Services, LLC, a Delaware limited liability corporation, ("Lessor") and Union Pacific Railroad Company, a Delaware corporation, a successor by merger to Union Pacific Railroad Company, a Utah corporation ("Lessee"). The Lease Agreement references a previous master lease agreement between the Lessor (then known as MRC Freightcar Leasing, LLC) and Lessee dated as of January 7, 1998, the terms and conditions of which are incorporated by reference to the extent that such terms and conditions are not inconsistent.

WITNESSETH:

1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor three hundred eighty five (385) newly built Tri-level Auto Carrier, per Construction Specification RACKT20-2000 by Thrall Car Manufacturing Company ("Thrall"), bearing marks and numbers as follows:

UP800050 - 800434

2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lessor: MRC Rail Services, LLC

By: Michael Rose
Title: President
Date: June 30, 2000

Lessee: Union Pacific Railroad Company

By: Don Bragley
Title: Sr. MGR. Purchasing
Date: JUNE 30, 2000

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

On this 30th day of June, 2000, before me personally appeared Michihiro Nose, to me personally known, who being by me duly sworn, says that he is the President of MRC Rail Services, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



[Signature]
NOTARY PUBLIC

My commission expires:

STATE OF Nebraska

COUNTY OF Douglas

On this 30th day of June, 2000, before me personally appeared Dave Beighley Purchasing to me personally known, who being by me duly sworn, says that he is the Mr. Mgr. of Union Pacific Railroad Company that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

[Signature: Sheryl L. Alvey]
NOTARY PUBLIC

My commission expires:

